

Message Text

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TAGS: BTIO, CG

SUBJ: MAJOR PROJECT: REGIDESO WATER SUPPLY PROJECT

REF: A) KINSHASA 10104 B) STATE 297686

1. SUMMARY. SUBJECT PROJECT, WHICH IS EXPECTED TO RECEIVE FINANCING FROM WORLD BANK (IDA), AFRICAN DEVELOPMENT BANK, AND THE ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA, REPRESENTS A SIGNIFICANT OPPORTUNITY FOR AMERICAN SUPPLIERS AND AMERICAN CONTRACTORS. PROJECT, WHICH ENVISIONS CONSTRUCTION OF WATER PURIFICATION AND SUPPLY SYSTEM FOR SIX CITIES IN ZAIRE, WILL COST ESTIMATED 70 MILLION DOLLARS. END SUMMARY.

2. BACKGROUND: ZAIRE WATER AUTHORITY, REGIDESO IS IN MIDST OF FINANCIAL NEGOTIATION AND TECHNICAL STUDIES WHICH ENVISION THE CONSTRUCTION OF WATER PURIFICATION AND DISTRIBUTION SYSTEMS IN SIX CITIES IN ZAIRE: LUBUMBASHI, KISANGANI, MBANDAKA, KANAGA, MBUJI-MAYI AND KAMINA. SUGGESTION FOR PROJECT AROSE FROM IBRD SECTOR STUDY WHICH IDENTIFIED IMPROVED URBAN WATER SUPPLY AS PRESSING NEED.

3. FINANCING: PROPOSED FINANCING FOR WHAT ESTIMATED TO BE 70 MILLION DOLLAR CONTRACT AT PRESENT PRICES IS AS FOLLOWS:

IDA: 17 MILLION DOLLARS

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ADB/ 6.5 MILLION DOLLARS

ABEDA: 10 MILLION DOLLARS

GOZ: 34 MILLION DOLLARS (PRIMARILY IN LOCAL COSTS).

ALL STAFF WORK FOR PROSED IDA LOAN NOW COMPLETED AND PROJECT COULD GO BEFORE BOARD IN NEAR FUTURE. REGIDESO DELEGATE GENERAL TSHIONGO HAS, UPON RETURN FROM TALKS WITH AFRICAN DEVELOPMENT BANK, ANNOUNCED SUCCESSFUL NEGOCIATION OF ADB LOAN FOR PROJECT. ALTHOUGH LOCAL PRESS REPORTS PUT ADB LOAN VALUE AT 27 MILLION (\$54 MILLION), TSHIONGO HAS CONFIRMED TO EMBASSY THAT ACTUAL AMOUNT OF LOAN REMAINS ABOUT \$6 MILLION. EMBASSY NOT AWARE OF ANY AGREEMENT YET SIGNED WITH ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA, BUT UNDERSTAND THAT ABEDA REPRESENTATIVES PARTICIPATED IN LATE NOVEMBER NEGOTIATIONS IN WASHINGTON WITH WORLD BANK.

4. TECHNICAL STUDIES: TECHNICAL STUDIES FUNDED BY IBRD ARE EXPECTED TO BE COMPLETED IN MARCH 1976. STUDIES ARE BEING PERFORMED BY GERMAN FIRM IGIP AND FRENCH FIRM LDUMONT. TECHNICAL SPECIFICATION NOT EXPECTED TO BE AVAILABLE BEFORE APRIL 1976.

5. BIDDING: CONTRACT WILL BE AWARDED AFTER INTERNATIONAL COMPETITIVE BIDDING IN ACCORDANCE WITH WORLD BANK GUIDELINES. BIDDING PERIOD NOW EXPECTED TO BEGIN JULY 1976. ACCORDING TO WORLD BANK GUIDELINES, PROJECTS OF THIS SORT ARE USUALLY BID WITH SEPARATE CONTRACT FOR CIVIL WORKS AND FOR SUPPLY AND ERECTION OF MAJOR ITEMS OF PLANT AND EQUIPMENT. HOWEVER, SINCE PROJECT INVOLVES SIMILAR CONSTRUCTIONS AT SIX SITES, BIDDERS MAY BE ALLOWED TO MAKE BIDS UNDER ALTERNATIVE CONTRACT OPTIONS. DECISION ON THIS QUESTION NOT YET MADE. BIDDING DOCUMENTS NOT EXPECTED TO BE AVAILABLE BEFORE APRIL.

6. CONTRACTS: INTERESTED AMERICAN FIRMS SHOULD CONTACT: CITOYEN TSHIONGO TSHIBINKUBULA WA TUMBA, DELEGUE GENERAL A LA REGIDESO, B.P. 12,599, KINSHAS, ZAIRE. SUGGEST UNCLASSIFIED

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EMBASSY BE SENT COPIES OF CORRESPONDENCE TO GOZ AUTHORITIES. CORRESPONDENCE SHOULD BE IN FRENCH.

7. OPPORTUNITY FOR AMERICAN SUPPLIER: BOTH REGIDESO AND LOCAL IBRD OFFICIALS HAVE EXPRESSED INTEREST IN AMERICAN PARTICIPATION IN THIS PROJECT. REGIDESO DELEGATE GENERAL TSHIONGO WHO HAS TOURED U.S. ON CU GRANT HAS ASKED EMBASSY FOR LIST OF U.S. CONTRACTORS WITH EXPERTISE IN WATER

SUPPLY PROJECTS. EMBASSY DOES NOT YET KNOW WHETHER ANY NON-AMERICAN FIRMS FOLLOWING PROJECT, BUT WE PRESUME THAT TWO LARGE LOCALLY ESTABLISHED CONSTRUCTION FIRMS (BELGIAN AND ITALIAN) HAVE BEEN IN TOUCH WITH REGIDESO. DESPITE POSSIBLE LOCAL COMPETITION, EMBASSY BELIEVES AMERICAN CONTRACTORS, PARTICULARLY THOSE WITH EXPERTISE IN AFRICA, MAY FIND THIS PROJECT USEFUL FOOT IN DOOR FOR FURTHER PROJECTS IN ZAIRE. IF NOT, THERE IS STILL LARGE POTENTIAL ROLE FOR THE SUPPLY OF AMERICAN EQUIPMENT.

8. ACTION REQUESTED: (A) NOTIFY APPROPRIATE AMERICAN FIRMS OF THIS OPPORTUNITY, (B) CABLE EMBASSY LIST OF AMERICAN CONTRACTORS EXPERIENCED WITH UNDERTAKINGS OF THIS SORT. EMBASSY WILL TRANSMIT LIST TO TSHIONGO. (C) ADVISE EMBASSY OF ANY WORLD BANK BOARD ACTION ON REGIDESO PROJECT.

9. EMBASSY WILL MAINTAIN CONTACTS WITH REGIDESO AND IBRD REPS AND WILL REPORT SIGNIFICANT DEVELOPMENTS. CUTLER

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